

VZCZCXYZ0000  
PP RUEHWEB

DE RUEHTV #0700/01 0841054  
ZNR UUUUU ZZH  
P 251054Z MAR 09  
FM AMEMBASSY TEL AVIV  
TO RUEHC/SECSTATE WASHDC PRIORITY 1133  
RHEHAAA/WHITE HOUSE WASHDC PRIORITY  
RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEAHQA/HQ USAF WASHINGTON DC PRIORITY  
RUEADWD/DA WASHDC PRIORITY  
RHMFIUU/CNO WASHINGTON DC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 5193  
RUEHAS/AMEMBASSY ALGIERS PRIORITY 1786  
RUEHAM/AMEMBASSY AMMAN PRIORITY 5700  
RUEHAK/AMEMBASSY ANKARA PRIORITY 5999  
RUEHLB/AMEMBASSY BEIRUT PRIORITY 5229  
RUEHEG/AMEMBASSY CAIRO PRIORITY 3743  
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 6042  
RUEHLO/AMEMBASSY LONDON PRIORITY 2857  
RUEHFR/AMEMBASSY PARIS PRIORITY 1066  
RUEHRB/AMEMBASSY RABAT PRIORITY 9775  
RUEHRO/AMEMBASSY ROME PRIORITY 7276  
RUEHRH/AMEMBASSY RIYADH PRIORITY 2242  
RUEHTU/AMEMBASSY TUNIS PRIORITY 6278  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 8315  
RUEHJI/AMCONSUL JEDDAH PRIORITY 1105  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 1716  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 000700

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR X0XX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

SIPDIS  
E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

-----  
SUBJECTS COVERED IN THIS REPORT:  
-----

Mideast

-----  
Key stories in the media:  
-----

All media led with last nightQs vote at the Labor Party convention, in which 58% percent (680 to 507) backed the partyQs entrance into PM-designate Benjamin NetanyahuQs government coalition. Leading media reported that Netanyahu QdisbursedQ 4-6.5 billion shekels (\$1-1.6 billion) to form the coalition. Leading media predicted

that Ehud Barak, Matan Vilnai, Benjamin Ben-Eliezer, Shalom Simhon, and Yitzhak Herzog will retain their posts in the cabinet. Israel Hayom reported that Orit Noked or Avishay Braverman will get a ministry without portfolio, in charge of minorities. IDF Radio reported that many Labor Party members rescinded their memberships. Yediot quoted Yisrael Beiteinu leader Avigdor Lieberman as saying that Labor has received too many cabinet seats.

Israel Radio quoted President Obama as saying yesterday at a White House press conference that the Israeli-Palestinian status-quo was "unsustainable" and that working toward a two-state solution is "critical." The President fielded a question on the incoming Israeli government to be led by Benjamin Netanyahu, who has said that talk of Palestinian statehood is premature. Describing the difficulty of negotiating peace under such circumstances, he said: "It's not easier than it was, but I think it's just as necessary. We don't yet know what the Israeli government is going to look like, and we don't yet know what the future shape of Palestinian leadership is going to be comprised of. What we do know is this: that the status quo is unsustainable, that it is critical for us to advance a two-state solution where Israelis and Palestinians can live side by side in their own states with peace and security. Obama also knocked back critics of his friendly video message last week to Iran's leadership, offering engagement and recognition as part of serious talks about reducing Iran's belligerent profile.

Media reported that Ofer Dekel, PM Ehud Olmert's point man on the Gilad Shalit issue, and Shin Bet head Yuval Diskin have returned to Cairo to renew talks over Shalit's release. Israel Radio reported that Egypt refused to host three Hamas leaders involved in the talks: They had been very critical of Egypt. The Jerusalem Post reported that William Daroff, the (U.S.) Jewish Communities' vice president for public policy, told the newspaper yesterday that the International Committee of the Red Cross was continuing its good faith efforts to seek access to and information about Shalit.

Maariv reported that Jerusalem Mayor Nir Barkat is promoting construction in the eastern part of the city: tomorrow the Jerusalem Municipality will vote on whether to authorize the construction of 20 housing units in the Sheffer hotel, at the foot of Mount Scopus. HaQaretz reported that the Jerusalem Municipality has frozen a plan for a new Jewish neighborhood in East Jerusalem -- known as Kedmat Zion, in the area of Abu Dis -- that was initiated by the right-wing group Ateret Cohanim. IDF Radio reported that in their coalition agreement, Likud and Yisrael Beiteinu agreed to expand construction in the E-1 area near MaQaleh Adumim. The radio reported that, while Labor Party officials are unaware of this development, MaQaleh Adumim Mayor Benny Kashriel, who acknowledged Yisrael Beiteinu Chairman Avigdor Lieberman's personal intention to build in MaQaleh Adumim, said that this was only about a new neighborhood of his city that will not be connected with Jerusalem.

HaQaretz cited an updated list of Palestinian losses issued by the IDF that more than 600 of the Palestinians killed during Operation Cast Lead in Gaza have been identified as militants, while another 309 were innocent civilians. The list is significantly different from the one the Palestinians use. The Israeli document lists 1,370 fatalities, whereas different Palestinian lists range from 1,324 to 1,434. The IDF claims to have identified 1,249 of those on its list. The Jerusalem Post reported that yesterday UN Special Rapporteur Richard Falk charged that Israel's military incursion into Gaza "was not legally justified given the circumstances and diplomatic alternatives available, and was potentially a crime against peace." He made the comment as he presented a report to the UN Human Rights Council in Geneva, claiming that the IDF's 22-day operation in January appeared to be "a war crime of the greatest magnitude." Falk argued further that Palestinian rocket fire into Israel had been mostly a retaliatory act. In response, Israel's Ambassador to the UN in Geneva, Roni Leshno-Yaar, said that Falk's defense of what he called in the report the "Palestinian right of resistance" constituted "poorly veiled" support for terrorism against Israeli citizens.

The media reported that yesterday radical right-wing march through the Israeli Arab city of Umm el-Fahm lasted only 30 minutes. However, HaQaretz noted that the marchers, the Arab inhabitants of the town, and the police Qall seemed to have derived satisfaction

with the outcome.Q Thirteen protesters from the town were arrested. Police Maj. Gen. Shimon Koren, commander of the northern district, said they had "endangered life and disturbed the peace." Among the 28 people injured during the clashes were 15 police officers hit by stones, including Deputy Police Commissioner Maj. Gen. Shahar Ayalon. Yediot reported that the far Right intends to buy houses in Arab and mixed communities (within the Green Line).

The Jerusalem Post reported that yesterday Hamas announced that it was planning to press charges against PA Prime Minister Salam Fayyad for QcollaborationQ with Israel and QsquanderingQ public funds.

The Jerusalem Post reported that yesterday Acting Assistant Secretary of State Jeffrey Feltman testified before the House Foreign Affairs Subcommittee on the Middle East, urging Israel to turn over more information about land mines in southern Lebanon, as the Obama administration allocates more money to help locate and defuse mines and unspent cluster bombs. Feltman also defended the U.S. administration's decision to engage with Damascus at the same time that he took a hard line against Hizbullah and said that no deal with Syria would come at Lebanon's expense.

HaQaretz cited the Israeli human rights group BQTselem as saying that IDF violence against Palestinians has increased since Operation Cast Lead.

The Jerusalem Post and Israel Radio reported that yesterday the High Court of Justice issued a conditional order to justify its opposition to enforcing an evacuation and demolition order for nine homes in the West Bank settlement of Ofra.

The Jerusalem Post reported that a land deal involving a former primate of the Orthodox Church in Jerusalem that Qremains shrouded in mystery and controversyQ five years after it was made public is now being fought over in a court case with political underpinnings. One of the properties is the Imperial Hotel in the Old City.

Yediot devoted several pages to the 30th anniversary of the peace treaty with Egypt.

Yediot reported that today in Holon (a southern Tel Aviv suburb) an orchestra composed of 12 youths from the Jenin refugee camp will play to an audience of Holocaust survivors.

Major media reported that yesterday U.S. businessman Morris (Moshe) Talansky's Israeli lawyers announced that their client would be returning to Israel to complete his testimony against PM Olmert.

The Jerusalem Post reported that, while Israel is staying out of the debate over the World War I Armenian massacre, QU.S. Jews may be ready to step in.

Yediot reported that Israel has opened a new consulate in southern China.

HaQaretz reported that the Tribeca Film Institute's April 2009 festival has announced that the documentary "Borderline," directed by Shirli Michalevitz, which presents the story of the Kfar Shaul mental health center in Jerusalem, will participate in its Tribeca All Access project. Kfar Shaul, which treats both Jewish and Muslim patients, is located on the site of the former Arab village of Deir Yassin, which was almost completely destroyed in the 1948 War of Independence. Another Israeli film, "Gefilte Fish," directed by Shelly Kling-Yosef, will also participate in the festival.

Yediot's New York correspondent Yaniv Halili reported on a service on the Web site of the U.S. Customs and Border Protection, which gathers information from the public on border violations.

-----  
Mideast:  
-----

Summary:  
-----

Veteran journalist and anchor Dan Margalit wrote on page one of the

independent Israel Hayom: Qin the present conditions, this is the best government that Israel could hope for after the elections.

Shmuel Rosner wrote in the popular, pluralist Maariv (3/25)Q: QYesterday Benjamin Netanyahu and Ehud Barak did well in agreeing to honor previous agreements signed by the Israeli government.... But Barack ObamaQs obstacle will not be overcome.

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot: QAs dreary as the whole thing is, the only one who is going to pledge allegiance to the future government, if it is formed, is Binyamin Netanyahu.

Columnist and former Meretz Party Chairman Yossi Sarid, who started his political career in the Labor Party, wrote in the independent, left-leaning Ha'aretz: QIt is irresponsible for the Labor Party to allow the country to participate in a dirty stream of nationalism and racism, without even trying to put a finger in the dike.

The conservative, independent Jerusalem Post editorialized: QFor an enduring peace, it is imperative that Mubarak use the remaining years of his tenure to reconceptualize and rebrand Egypt's attitude toward Israel. A first state visit would be a good starting point.

Block Quotes:

#### I. "Let Him Already Say QTwo StatesQ"

Shmuel Rosner wrote in the popular, pluralist Maariv (3/25): QYesterday Benjamin Netanyahu and Ehud Barak did well in agreeing, even before Labor decided to join the coalition, to honor previous agreements signed by the Israeli government. How could it have been any different? That wise guy policy, which in effect bypasses the Qtwo states for two peoplesQ formula, allows Netanyahu to cover all his bases. His stubborn refusal to clearly announce his support for a principle that many figures who cannot be suspected of belonging to the radical Left, like Ariel Sharon and George Bush, helped him pass the Barak obstacle. But Barack ObamaQs obstacle will not be overcome.

#### II. "The Right Government"

Veteran journalist and anchor Dan Margalit wrote on page one of the independent Israel Hayom (3/25)Q: QIsrael now has a framework for a government that this newspaper proposed before Election Day -- based on the Benjamin Netanyahu-Ehud Barak axis, together with Avigdor Lieberman and Shas leader Eli Yishai.... Many roadside bombs lie in wait for this government.... But, in the present conditions, this is the best government that Israel could hope for after the elections.

#### III. "Single Parent Coalition"

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot (3/25)Q: QIf I were a member of the Labor Party, I would have voted yesterday along with the majority in favor of joining the government. Not because of the country: It wasn't what is best for the country that concerned the party members who gathered yesterday. I would have voted in favor because a party that is headed towards its death, just like a man who is headed towards his death, feels better when he flies there first class, when the bed is soft, when the pillow is plumped up and full of feathers, and when the blanket is warm and cuddly.... As dreary as the whole thing is, the only one who is going to pledge allegiance to the future government, if it is formed, is Binyamin Netanyahu. The other members of his coalition will regard it as a government of others: The first to dodge votes in the plenum will be the Labor Party members who were not given portfolios. When they lock themselves into the bathrooms in the Knesset they will find themselves in the company of frustrated Knesset members from United Torah Judaism, along with indifferent Shas Knesset members and embittered Yisrael Beiteinu Knesset members. The way things look now, this is going to be a single-parent coalition.

#### IV. QLike Slaughtered Chickens

Columnist and former Meretz Party Chairman Yossi Sarid, who started his political career in the Labor Party, wrote in the indent, left-leaning Ha'aretz (3/25)Q: Q[The members of the Labor Party convention] screamed into the microphone like slaughtered chickens, perhaps because they were frightened of the agitated crowd in the hall.... It is irresponsible to leave a democracy without an opposition, without an alternative, without a social democracy deserving its title, and without hope. And it is irresponsible to allow the country to participate in a dirty stream of nationalism and racism, without even trying to put a finger in the dike.... With these men of yesteryear there will be no Labor tomorrow; and if it is resurrected, it will not be the same party. It will be a new party.

#### IV. Q30 Years at Peace

The conservative, independent Jerusalem Post editorialized (3/25)Q: QWe hesitate to speculate on where the Egypt-Israel relationship will be 30 years from now. Israelis will watch how President Hosni Mubarak prepares for a smooth transition in 2011, when he will presumably retire. Egypt's domestic stability is one of Israel's most important strategic concerns. Much also depends on institution-building and political development in Egypt and among the Palestinian Arabs. Unfortunately, the Mubarak regime has been delinquent in socializing either the elites or masses to the idea that peace with Israel is anything more than a bitter necessity. Consequently, Egypt's political culture vilifies Israel. The cold peace calibrated by Mubarak has been tolerable, if disappointing. But the notion that a successor regime which Qknew not SadatQ might one day field Egypt's colossal and lavishly modernized military against the Jewish state cannot be ruled out. For an enduring peace, it is imperative, therefore, that Mubarak use the remaining years of his tenure to reconceptualize and rebrand Egypt's attitude toward Israel. A first state visit would be a good starting point.

CUNNINGHAM